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**SBC-AMERITECH Rebuttal Exhibit 1**

**STATE OF INDIANA**

**INDIANA UTILITY REGULATORY COMMISSION**

IN THE MATTER OF THE INVESTIGATION	)	
ON THE COMMISSION'S OWN MOTION	)	
INTO ALL MATTERS RELATING TO THE	)	CAUSE NO. 41255
MERGER OF AMERITECH CORPORATION	)	
AND SBC COMMUNICATIONS INC.	)	

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**VOLUNTARY COMMITMENT OF  
SBC COMMUNICATIONS INC., AMERITECH AND AMERITECH INDIANA**

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SWBT Competitive Local Exchange Carrier EDI/LSR  
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California Template for an Interconnection  
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Texas Collaborative OSS Process  
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Letter from Barry K. Allen .....Attachment 4

Letter from Warren Mickens .....Attachment 5

STATE OF INDIANA

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INTO ALL MATTERS RELATING TO THE	)	CAUSE NO. 41255
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**VOLUNTARY COMMITMENT OF  
SBC COMMUNICATIONS INC., AMERITECH AND AMERITECH INDIANA**

As discussed in the Rebuttal Testimony of James S. Kahan, Thomas J. Reiman, Cheryl K. Wooley, and Dr. Robert G. Harris, submitted in this Cause, SBC Communications Inc. ("SBC"), Ameritech Corporation ("Ameritech") and Indiana Bell Telephone Company, Incorporated d/b/a Ameritech Indiana ("Ameritech Indiana") agree to the following commitments/conditions, to be incorporated into the Indiana Utility Regulatory Commission's ("IURC" or "Commission") approval of the stock exchange transaction that is the subject of this Cause.

**I. INFRASTRUCTURE**

- A. By an Order dated April 28, 1999, in Cause No. 40849, the IURC asserts that Ameritech Indiana has not met certain infrastructure commitments made in Opportunity Indiana in Cause No. 39705 ("OI-1"). Ameritech Indiana disagrees. However, in an effort to resolve this dispute, Ameritech Indiana commits to the infrastructure expenditures detailed in Section I.B. below. In addition to the infrastructure commitments provided below, Ameritech Indiana also agrees to continue to pay \$5 million per year to the Corporation for Educational Communications ("CEC") until such time as its interim OI alternative regulation plan is replaced by a more permanent plan or June 30, 2000, whichever is later, as the balance of the Company's obligation from OI-1. These payments will be used primarily for content development, elementary school video equipment, community-based grants and administration expenses. Ameritech Indiana will also continue to provide digital switching and transport facilities necessary to provide broadband services to interested schools, hospitals and major government centers in the

Company's service area consistent with paragraph 10(b) of the Opportunity Indiana Settlement Agreement until such time as its interim OI alternative regulation plan is replaced by a more permanent plan or June 30, 2000, whichever is later.

B. Ameritech Indiana agrees to speed the deployment of technology so as to enhance the technology platforms on which new service introductions are based:

1. Make ISDN ("Integrated Services Digital Network") available to customers in every Ameritech Indiana central office by December 31, 2002;
2. Deploy five new SONET ("Synchronous Optical Network") rings in Indiana by December 31, 2002;<sup>1</sup>
3. Upgrade all remaining analog central offices in Ameritech Indiana's current service territory to digital by December 31, 2006;<sup>2</sup>
4. Ameritech Indiana commits that in the event ADSL service is offered as a service to residence customers in any Ameritech Indiana central office, then ADSL service will be offered to residence customers in any other Ameritech Indiana central office where ADSL is subsequently deployed. Any deployment of ADSL in Indiana will be done in good faith in a non-discriminatory fashion, without excluding any particular area of the Ameritech Indiana service area; and,
5. Implement SBC's Universal Design Policy in Indiana for people with various disabilities to provide input on telecommunications accessibility, service, features and design.

C. These commitments will satisfy the Commission's April 28, 1999 Order in OI-1. After the Commission so finds, Ameritech Indiana agrees to withdraw its Petition for Reconsideration of that Order, and will not appeal that Order to court.

D. Ameritech Indiana agrees that over the three full calendar years following Merger Closing (e.g., if the Merger Closing Date is July 1, 1999, then, calendar years 2000, 2001, and 2002), Ameritech Indiana will make capital investments in the Ameritech Indiana infrastructure and networks located in Ameritech Indiana's service territory in total, over the three-year period, at least equal to Ameritech Indiana's similar investment over the three calendar years prior to Merger Closing (e.g., 1996, 1997, and 1998). For the 1996-1998 period, that amount was \$578 million. These numbers and this commitment are over-and-above any prior or future investment commitments

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<sup>1</sup> The Company may, in the alternative, deploy any new technology that might emerge that would be the most advanced and appropriate to provide services at least equal to the current SONET technology.

<sup>2</sup> The Company may, in the alternative, deploy any new technology that might emerge that would be the most advanced and appropriate to provide services at least equal to the current digital central office technology.

contained in an alternative regulation plan approved by this Commission, including the infrastructure commitments contained elsewhere herein.

## **II. LOCAL PRESENCE AND DECISION-MAKING**

In his May 10, 1998, letter to Ameritech Chairman Dick Notebaert, SBC Chairman Ed Whitacre pledged to maintain a state headquarters in each of Ameritech's traditional states, to continue to use the Ameritech name in each state, to continue Ameritech's historic levels of charitable contributions and community activities, and continue to support economic development and education in Ameritech's region consistent with Ameritech's well-established commitments in these areas. To complement those commitments, Ameritech Indiana agrees that for not less than five years following the Merger Closing Date, Ameritech Indiana will maintain a state headquarters in Indiana that is staffed sufficiently to at least maintain Indiana's current local presence with government entities and community organizations.

## **III. EMPLOYMENT**

Mr. Whitacre's May 10 letter pledged not to reduce Ameritech's five-state regional employment level due to the Merger. To bring further Indiana-specific reassurance, Ameritech Indiana agrees that at the end of two years following the Merger Closing Date, the number of full-time equivalent employees of Ameritech Indiana will be more than the greater of: 1) the number of such employees as of the date this Commission approves the Merger, or 2) the number of such employees as of the Merger Closing Date.

## **IV. SERVICE QUALITY COMMITMENT**

- A. Ameritech Indiana commits to meeting or exceeding the standards set forth below, or, in the alternative, to pay the amounts specified.
- B. Service Quality Reporting. Commencing the first day of the first month that starts at least 6 months after the Merger Closing Date and for a period of 3 years after such commencement date, Ameritech Indiana, on a quarterly basis, will provide the Commission Staff with an oral review and, contemporaneously therewith, a written report describing Ameritech Indiana's monthly performance with respect to the following:
  - 1. Business Office speed of answer;
  - 2. Repair speed of answer;
  - 3. Trouble report rates per 100 access lines;



4. The percentage of out-of-service trouble reports missing a 24-hour clearance;
5. The percentage of installation orders missing the 5-day installation interval;
6. The percentage of premises repair appointments and non-premises repair commitments missed by Ameritech Indiana; and
7. The percentage of installation premises appointments missed by Ameritech Indiana.

C. Service Quality Test. If Ameritech Indiana fails to meet the service quality standards set forth below for Ameritech Indiana's retail end user customers in its service area (as that area exists as of the Merger Closing Date), it will make payments in a total aggregate amount not to exceed \$10 million per year, for three years, pursuant to the following procedure: 5 pts or more – 0 penalty; 3-4 pts. - \$5 million penalty; 0-2 pts \$10 million penalty.

1. The following performance measurements, weights, and standards will be used for purposes of this Service Quality Test:

<b><i>Performance Measure</i></b>	<b><i>Weight</i></b>	<b><i>Standard</i></b>
<b>1) Business Office Average Speed of Answer</b>	1.0	$\leq 60$ sec.
<b>2) Repair Reporting Center Average Speed of Answer</b>	1.0	$\leq 60$ sec.
<b>3) Trouble Reports per 100 Access Lines</b>	1.0	$\leq 5$
<b>4) OOS Repair Cleared Within 24 Hours</b>	2.0	$\geq 90\%$
<b>5) New Access Lines Installed Within 5 Days</b>	1.0	Year 1 $\geq 90\%$ Year 2 $\geq 91\%$ Year 3 $\geq 92\%$
<b>6) Repair Premises Appointments and Outside Commitments Met</b>	1.0	Year 1 $\geq 90\%$ Year 2 $\geq 91\%$ Year 3 $\geq 92\%$
<b>7) Installation Premises Appointments Met</b>	1.0	Year 1 $\geq 90\%$ Year 2 $\geq 91\%$ Year 3 $\geq 92\%$

2. Ameritech Indiana's performance will be measured in accordance with the following time periods:
  - a. The Start Date will be the first day of the first month that starts at least 6 months after the Merger Closing Date (e.g., if the Merger Closing Date is 7/15/99, the start date would be 2/1/00);

- b. The Measurement Period will be consecutive 12 month periods (e.g., if the start date is 2/1/00, the first measurement period would be 2/1/00 through 1/31/01) on a statewide basis; and
  - c. The Duration of the payment obligation under this Section will be three Measurement Periods (e.g., the first Measurement Period would be 2/00 – 1/01, the second would be 2/01 – 1/02, and the third would be 2/02 – 1/03).
- 3. Unless ordered otherwise by the Commission, any payments made pursuant to this Section shall be applied by Ameritech Indiana in the following manner:
  - a. 90% of the payment amount, as credits to Ameritech Indiana's end user customers. Such credits shall be calculated on a per access line basis.
  - b. 10% for use by the CEC, to be made available at the same time as the credits above are paid. Should the CEC no longer be in existence at the time payment is due, the Commission may direct that this portion of the penalty be added to the amount credited to Ameritech Indiana's end user customers in a. above.

## **V. FACILITATION & ENCOURAGEMENT OF COMPETITIVE LOCAL MARKET**

### **A. PERFORMANCE MEASUREMENTS, STANDARDS, BENCHMARKS, AND REMEDIES FOR OPERATIONS SUPPORT SYSTEMS AND FACILITIES**

#### **1. Collaborative Process for Applying Best Practices to Improve OSS.**

- a. Ameritech Indiana shall adopt procedures for improving Ameritech Indiana's OSS as set forth in this Section. SBC/Ameritech will establish a joint SBC/Ameritech task force comprised of their OSS subject matter experts that is to identify the best practices of SBC's and Ameritech's OSS. As part of the effort to improve OSS, the joint SBC/Ameritech task force will investigate the economic and technical feasibility of improving and integrating SBC's and Ameritech Indiana's OSS systems, including but not limited to, systems and procedures for pre-ordering, ordering, provisioning, billing, and repair and maintenance.
- b. In conjunction with such task force, Ameritech Indiana will obtain advisory input from the Commission Staff and CLECs through a collaborative process.

- c. Ameritech Indiana will present to the collaborative participants proposed OSS improvements to Ameritech Indiana's OSS within 105 days of the Merger Closing. Ameritech Indiana will also report on planned OSS improvements and the associated implementation timelines to the collaborative participants within 135 days of the Merger Closing Date. Ameritech Indiana further agrees to implement such improvements to Ameritech Indiana's OSS within 225 days of the Merger Closing Date unless Ameritech Indiana concludes that it is not economically or technically feasible to implement one or more of the proposed OSS improvements within such 225 day period or at all. If Ameritech Indiana reaches such a conclusion, it will review this conclusion with the collaborative participants, prior to the report to be submitted within 135 days of the Merger Closing Date. Such review will include any recommendations on substitute measures or modified timelines that could be implemented in the alternative.
- d. Ameritech Indiana will provide CLECs with ongoing advance information on OSS improvements and a reasonable period to make related changes, if any, to their systems by incorporating the principles contained in the Change Control Process described in the document entitled "SWBT Competitive Local Exchange Carrier ("CLEC") EDI/LSR Change Control Process," which is attached hereto as Attachment 1, within 30 days of the Merger Closing Date.
- e. Ameritech Indiana will utilize the approach contained in the California template for an Interconnection Agreement Appendix, which is attached hereto as Attachment 2, for providing CLECs access to new and/or changed OSS systems.

2. Additional Support for Small CLECs.

- a. Within 30 days following the Merger Closing Date, Ameritech Indiana will also designate and make available a team of a sufficient number of OSS experts dedicated and empowered to assist Small CLECs in Indiana with OSS issues. Such team will be available to provide training and assistance, but not the provisioning of telecommunications services, to such CLECs at no additional cost for a minimum of 12 months following the designation of the team. A Small CLEC may reasonably request a change, expansion, and/or reduction in the composition of the dedicated team. A "Small CLEC" is defined as a CLEC that, when combined with all of the CLECs' affiliates and the CLECs' joint ventures that provide telecommunications services, has less than \$300 million in total annual telecommunications revenues, excluding revenues from wireless services. Any dispute relating to the application of this definition may be resolved by the Commission.

- b. For those Small CLECs, Ameritech Indiana will implement the dedicated team of OSS experts referenced above beginning 30 days following the Merger Closing Date. Such team will be available to provide assistance for either: i) 12 months following the designation of the team; or ii) 12 months following the Merger Closing Date, whichever results in a longer period of assistance.
  - c. Within 90 days following the Merger Closing Date, Ameritech Indiana will identify and develop training, procedures, and systems that will be beneficial to Small CLECs operating in Indiana. Within 120 days following the Merger Closing Date, Ameritech Indiana will provide notice of such training, procedures, and systems to all Small CLECs.
- 3. CLEC Service Centers, Staffing, and Resolution of Current OSS Disputes.
  - a. SBC/Ameritech will not move the Ameritech CLEC service centers located in Milwaukee, Wisconsin and Grand Rapids, Michigan for 12 months following the Merger Closing Date.
  - b. Ameritech Indiana will not reduce Ameritech Indiana's staffing levels of experienced and qualified staff dedicated and empowered to provide CLEC service for 4 years following the Merger Closing Date. The staffing levels shall be based on the highest of: i) the levels in place as of the Merger Closing Date; or ii) the levels in place as of the date on which the Commission enters a final appealable order approving the Merger.
  - c. During the period between the date of the Commission's Order approving the Merger and the Merger Closing Date, Ameritech Indiana will use its reasonable best efforts, in good faith, to resolve current OSS disputes.
  - d. During the period commencing on the Merger Closing Date and ending 4 years following the Merger Closing Date, a CLEC may reasonably request in writing, with substantiation, that Ameritech Indiana address claimed problems with an assigned account manager. Ameritech Indiana commits to seriously consider the request after investigation and to meet with the CLEC promptly within 30 days to discuss the claimed problems and to attempt to address them.
- 4. Collaborative Process for Implementing OSS and Facilities Performance Measurements, Standards/Benchmarks, and Remedies
  - a. Within 30 days following the Merger Closing Date, SBC/Ameritech will establish a joint SBC/Ameritech task force comprised of their performance measurements subject matter experts that is to develop a plan to implement OSS and facilities performance measurements, associated standards/benchmarks, and remedies in Indiana.

- b. The task force will review the economic and technical feasibility of adopting in Indiana each of the OSS and facilities performance measurements and related standards/benchmarks that SBC has agreed to implement in Texas as a result of the Texas collaborative process ("the Agreed To Standards/Benchmarks," which are attached hereto as Attachment 3). This review will identify the differences, if any, between the underlying legacy systems and equipment, including computer, manual and data generating systems and equipment, in Texas and Indiana which may make it economically or technically infeasible to implement certain agreed to performance measurements and/or related standards/benchmarks in Indiana. If no such differences are identified for a particular measurement or standard/benchmark, Ameritech Indiana will implement that performance measurement or standard/benchmark in Indiana. SBC agrees to implement the 122 performance measurements and Agreed To Standards/Benchmarks currently agreed to in Texas, which include the performance measurements identified in a U.S. Department of Justice March 6, 1998 letter. Should SBC agree to implement additional measurements or standards/benchmarks in the Texas collaborative prior to the date the task force is established, the task force will include such additional measurements or standards/benchmarks within its review. Additionally, should SBC agree to remedies (*e.g.*, damages, penalties, and credits) associated with one or more Agreed To Standards/Benchmarks in the Texas collaborative prior to the date the task force is established, the task force will also review such agreed to remedies to determine whether it is appropriate to implement such remedies in Indiana considering any relevant differences between Texas and Indiana.
- c. Within 90 days following the Merger Closing Date, in conjunction with such task force, Ameritech Indiana will work with the Commission Staff, CLECs, and any other interested parties in a collaborative process to develop the initial performance measurements, standards/benchmarks, and remedies to be implemented in Indiana. Ameritech Indiana will meet with the collaborative participants on a regular basis to review the status of implementing each of the agreed to performance measurements, Agreed To Standards/Benchmarks, and/or remedies in Indiana. Such review will include either:
- (1) the timeline for implementing the performance measure, associated standard/benchmark, and remedy in Indiana; or
  - (2) an explanation of why Ameritech Indiana believes it is not economically and/or technically feasible to implement either the performance measure, standard/benchmark or remedy in Indiana, in which case Ameritech Indiana would discuss any substitute measure(s), associated standard(s)/benchmark(s), and/or remedy(ies) that would be appropriate.

- d. Within 150 days following the Merger Closing Date, the task force will complete its initial review of performance measurements/standards/benchmarks/remedies with the collaborative participants.
- e. Beginning 120 days following the Merger Closing Date and completing within 210 days following the Merger Closing Date, Ameritech Indiana will implement in Indiana (subject to any required Commission approval, which will be timely sought), each of the Agreed To Standards/Benchmarks that Ameritech Indiana determines to be economically and technically feasible to implement. Implementation will occur on a rolling basis as each Agreed To Standard/Benchmark is tested and becomes operationally ready and will fully apply to both resale and facilities, where applicable, when implemented. If Ameritech Indiana determines that it is not economically or technically feasible to implement one or more Agreed To Standards/Benchmarks in Indiana within 210 days following the Merger Closing Date, it agrees to implement such Agreed To Standards/Benchmarks as soon as it is economically or technically feasible to do so.
- f. Within the later of 270 days following the Merger Closing Date or June 1, 2000, Ameritech Indiana will implement in Indiana at least 79 of the 122 performance measurements and related standards/benchmarks as set forth in Attachment 3. Ameritech Indiana will not raise economic or technical feasibility or the exception for Y2K-related problems as an excuse for noncompliance with this commitment. Within 280 days following the Merger Closing Date or June 11, 2000, whichever is later, Ameritech Indiana will file a letter in this docket and serve such letter upon all CLECs with whom Ameritech Indiana has an approved interconnection agreement attesting whether or not Ameritech Indiana has met this commitment. Such attestation is subject to review by the Commission. If Ameritech Indiana attests that it did not, or the Commission finds that it did not, implement in Indiana at least 79 of the 122 performance measurements and related standards/benchmarks set forth in Attachment 3 within the later of 270 days following the Merger Closing Date or June 1, 2000, Ameritech Indiana will make a payment of \$11 million, as follows:
  - (1) \$10 million, as payments to CLECs providing end-user service within Ameritech Indiana's service area as of the date 270 days following the Merger Closing Date or June 1, 2000, whichever is later, as follows:
    - (a) A CLEC's Access Lines, for each CLEC, shall be its total number of access lines in service, including, without limitation, residence access lines, business access lines and end-user trunks, and ISDN lines, whether resold or not,

measured as of the date 270 days following the Merger Closing Date or June 1, 2000, whichever is later, within Ameritech Indiana's current service area. Each CLEC that desires to receive any of the \$10 million in payments must provide to the Commission Staff, no later than 300 days following the Merger Closing Date or July 1, 2000, whichever is later, a report identifying the number of such lines and trunks for that CLEC. Such report shall separately identify: i) the number of resold Ameritech Indiana access lines; ii) the number of unbundled loops purchased from Ameritech Indiana; and iii) all other such lines and trunks in service within Ameritech Indiana's current service area. Each CLEC submitting such a report will certify to the Commission Staff the accuracy of such report. The Commission Staff will notify each qualifying CLEC of its pro-rata share of the \$10 million. Thirty days after the date of such notice, the Commission Staff will provide notice to Ameritech Indiana as to the appropriate disbursement of the \$10 million. Within 30 days of receiving this notice from the Commission Staff, Ameritech Indiana will issue checks totaling \$10 million made payable to each qualifying CLEC for the disbursement amounts listed in Staff's notice to Ameritech Indiana.

- (b) Total CLEC Access Lines shall be the sum of (a) above for all qualifying CLECs submitting a timely report.
- (c) A CLEC's Pro-Rata Share shall be the ratio of (a) above for that CLEC, divided by (b).
- (d) Each affected CLEC within Ameritech Indiana's current service area shall receive a payment equal to \$10 million multiplied by the CLEC's Pro-Rata Share; and

(2) \$1 million to the Corporation for Educational Communications.

- g. If Ameritech Indiana reports that it has met the commitments as provided in this section and that is disputed, the Commission may issue an order to resolve that dispute and may set forth appropriate time frames.
- h. For each Agreed To Standard/Benchmark to be implemented in Indiana that has an SBC agreed-upon remedy in Texas, Ameritech Indiana will discuss with the collaborative participants the proposed remedy to be attached to such Agreed To Standard/Benchmark in Indiana. After Ameritech Indiana implements an Agreed To Standard/Benchmark in

Indiana, it will also implement (subject to any required Commission approval, which will be timely sought) any remedy to be associated with such Agreed To Standard/Benchmark consistent with the approach used in the Texas collaborative process. If the collaborative participants agree, Ameritech Indiana will refrain from implementing a particular remedy. Regardless of whether or not SBC agrees to remedies (e.g., damages, penalties, and credits) associated with one or more Agreed To Standards/Benchmarks in the Texas collaborative process, the Indiana collaborative process is not precluded from considering any proposed remedy or remedies.

- i. If any participant in the collaborative process disputes Ameritech Indiana's determination that it is not economically or technically feasible to implement a particular Agreed To Standard/Benchmark in Indiana, either at all or within the 270 day time period, the collaborative participants will collaborate to resolve such dispute in the collaborative process. If any such dispute cannot be resolved through the collaborative process, any participant may ask the Commission to resolve such dispute. In any such dispute that may arise before the Commission, Ameritech Indiana retains the burden of proving to the Commission that it is not economically or technically feasible to implement an Agreed To Standard/Benchmark in Indiana.
- j. For a minimum of one year following the Merger Closing Date, and thereafter on an as-needed basis as determined by Staff, participants in the collaborative process will collaborate to implement any additions, deletions, or changes to the performance measurements, standards/benchmarks, and remedies that are implemented by Ameritech Indiana in Indiana. Any participant may propose such addition, deletion, or change based upon experience with such implemented performance measurements, standards/benchmarks, remedies, or any other factor. If a dispute over any such addition, deletion, or change cannot be resolved through the collaborative process, any participant may ask the Commission to resolve such dispute. The participant proposing the addition, deletion, or change retains the burden of proving that such addition, deletion, or change should be adopted in Indiana.
- k. OSS Non-Recurring Charge. Ameritech Indiana will not propose any new non-recurring charges for accessing or utilizing Ameritech's generally available OSS systems for 2 years following the Merger Closing Date.



## B. CARRIER-TO-CARRIER ACTIVITIES

1. Minimum UNE List. At a minimum, the Parties agree that Ameritech Indiana will offer to requesting telecommunications carriers each of the unbundled network elements (UNEs) in accordance with the commitments made in the letter from Barry K. Allen of Ameritech to Lawrence E. Strickling of the FCC, dated February 11, 1999 (see Attachment 4). If the FCC, the IURC, a court of competent jurisdiction, and/or a legislative body of competent jurisdiction ultimately requires Ameritech Indiana to offer additional elements or eliminate elements, Ameritech Indiana agrees to comply with such amended requirements.
2. Promotional Carrier-To-Carrier Discounts. As an additional incentive for local residential telephone service competition, Ameritech Indiana will offer promotional carrier-to-carrier discounts on services used to provision residential services subject to the following terms and conditions:
  - a. Unbundled Elements Promotional Discounts.
    - (1) Ameritech Indiana will offer promotional discounted rates on unbundled loops used in the provisioning of residential service for an "Offering Window" period, which begins on the Merger Closing Date and ends at the earliest of the following:
      - (a) 4 years following the Merger Closing Date;
      - (b) at any time after 1 year following the Merger Closing Date, if the result of the Competitive Line Growth Test, as described in Section V.B.2.c., is that competitive line growth is equal to or greater than 100,000 residential access lines; or
      - (c) at any time after 3 years following the Merger Closing Date, if the result of the Competitive Line Growth Test, as described in Section V.B.2.c., is that competitive line growth is equal to or greater than 60,000 residential access lines, and if Ameritech Indiana or one of its affiliates has received all necessary authority to offer in-region interLATA services in Indiana.
    - (2) The Offering Window for the promotional discounted rate shall be extended for an individual CLEC under the following circumstances. Contemporaneous with the Merger Closing Date, Ameritech Indiana will review all collocation requests pending as of the date of such order to identify those requests in which CLECs have verified that the requested collocation space will be used to serve residential customers through unbundled loops.

Ameritech Indiana agrees that for any such verified request pending at the time of the review, its objective will be to complete the request within 90 days of the Merger Closing Date (the "Objective"). For any CLEC where the Objective is not met for one or more central offices, the Offering Window shall be extended for that CLEC as to that central office or offices by the amount of time that Ameritech Indiana missed the Objective.

- (3) Unbundled loops used in the provisioning of residential service in Indiana that are ordered during the Offering Window with a CLEC-requested installation date of no later than 30 days after the close of the Offering Window will receive the promotional discounted rate during the promotional period. Unbundled loops ordered or in service prior to the start of the promotional period, or ordered after the end of the promotional period, will not be eligible for the promotional discounted rates. The promotional period will be a period of 1) 36 months from the date such unbundled loop is installed and operational, or 2) for as long as the loop remains in service at the same location and for the same CLEC, whichever period is shorter.
- (4) During the promotional period, Ameritech Indiana will offer the following promotional discounts on unbundled loops used in the provisioning of residential service. These discounts shall be applied to the approved rates then in effect:

Residence Unbundled Loop Promotional Discounted Rates

<u>Geographic Area</u>	<u>Promotional Discount</u>
Rate Class 1	15%
Rate Class 2	15%
Rate Class L	15%
Rate Class 3	15%

- (5) Before being eligible for any such promotional discounts, a CLEC must agree to the following conditions and qualifications:
  - (a) Promotional discounts shall apply only to unbundled loops used in the provisioning of residential services;
  - (b) A maximum of 15,000 unbundled loops will be offered at the discounts in each of four geographic areas for all CLECs combined (first come, first served). The geographic areas will be defined as the areas currently associated with the: i) 317 area code; ii) 765 area code; iii) 812 area code; and iv) 219 area code. Any one CLEC is limited to

purchasing a maximum of 7,500 unbundled loops per geographic area at the promotional discounted rate;

- (c) The promotional discounted rates will not be available on unbundled loops purchased or used as part of a combination with Ameritech Indiana's local switching or the functions and features associated with that switching. The promotional discounted rates will be available if the CLEC itself combines the unbundled loop with dedicated transport, or if Ameritech Indiana is ordered to, or agrees to, provide a combination of unbundled loop and dedicated transport; and
- (d) SBC/Ameritech reserve the right to hire an independent third-party auditor to perform all necessary audits and inspections needed to assure that the unbundled loops provided at these promotional discounted rates are used solely for the provision of residential services. CLECs that opt to take advantage of the promotional discount rates agree to cooperate in the performance of such audits and inspections, which will be paid for by SBC/Ameritech. SBC/Ameritech and the CLEC shall follow the dispute resolution procedures set forth elsewhere in this Voluntary Commitment to resolve any disputes. If resolution by the IURC is needed, SBC/Ameritech, the CLEC, and the third-party auditor shall submit any necessary information to the Commission. Where any CLEC is found by the Commission to have violated these conditions and qualifications for any unbundled loops, it shall no longer be eligible to receive the promotional discounted rate on such unbundled loops and, on a prospective basis, for any unbundled loops ordered or installed after such finding. Audit information will be restricted to SBC/Ameritech regulatory, legal, and wholesale business unit personnel, and SBC/Ameritech will prohibit those personnel from disclosing audit-related information with Ameritech Indiana retail/marketing personnel.

b. Resold Services Promotional Discounts.

- (1) Ameritech Indiana will offer enhanced promotional discounts on services resold to CLECs for residential customers for an "Offering Window" period, which begins on the Merger Closing Date and ends at the earliest of the following:

- (a) 3 years following the date on which Ameritech Indiana begins to offer such promotional discounts; or
  - (b) If, at any time after 1 year following the Merger Closing Date, the result of the Competitive Line Growth Test described in Section V.B.2.c., is that competitive line growth is equal to or greater than 100,000 residential access lines.
- (2) Resold services used in the provisioning of residential service that are ordered during the Offering Window with a CLEC-requested installation date of no later than 30 days after the close of the Offering Window will receive the promotional price during the promotional period. Resold services ordered or in service prior to the promotional period, or placed in service after the end of the promotional period, will not be eligible for the promotional prices. The promotional period will be a period of 1) 36 months from the date such resold service is installed and operational, or 2) for as long as the resold service remains in service at the same location with the same telephone number and for the same CLEC, whichever period is shorter.
- (a) For the period commencing 30 days following the Merger Closing Date and ending 12 months after such commencement date, the residential resale discount rate in effect during such 12-month period will be the standard resale discount multiplied by a factor of 1.506 (*i.e.*, the current standard resale discounts of 22.13% for CLECs that provide their own directory assistance and operator services (“DA/OS”) and 21.46% for CLECs who require Ameritech Indiana to provide them with DA/OS would be 33.33% and 32.32%, respectively);
  - (b) During the second 12 month period, the standard resale discount rate in effect at that time will be multiplied by a factor of 1.25 (*i.e.*, the current standard resale discounts of 22.13% and 21.46% would be 27.66% and 26.83%, respectively);
  - (c) During the remainder of any promotional period, the standard resale discount rate in effect at that time will be multiplied by a factor of 1.10 (*i.e.*, the current standard resale discounts of 22.13% and 21.46% would be 24.34% and 23.61%, respectively).

As to any such residential resold line, the promotional rate shall only apply to those periods when such rates are in effect. For example, as to any resold service placed in service 6 months after the Merger Closing Date, the promotional price will be in accordance with (a) above for the first 7 months, (b) above for the next 12 months, and (c) above for the remaining 17 months.

c. Competitive Line Growth Test

- (1) The Competitive Line Growth Test is met if Competitive Line Growth is 60,000 residential access lines or 100,000 residential access lines, as applicable.
- (2) Competitive Line Growth shall consist of the sum of the following amounts, determined as of the measurement date, for Ameritech Indiana's service territory as of the Merger Closing Date:
  - (a) Ameritech Indiana's residential service access lines resold by a non-affiliated CLEC;
  - (b) Ameritech Indiana's unbundled loops provided to non-affiliated CLECs for service to residence premises;
  - (c) E-911 residence listings for residential service not provided by Ameritech Indiana and not included in (a) and (b) above; and
  - (d) Directory residence listings for residential service not provided by Ameritech Indiana and not included in (a), (b), and (c) above.

The intention in (a) through (d), inclusive, is not to double-count any residential access line.

d. Competitive Test

If Ameritech Indiana fails to meet the competitive test as set forth below, it will make a payment of \$11 million pursuant to the following procedure:

- (1) At any time during the period commencing with the Merger Closing Date and ending 4 years thereafter, Ameritech Indiana will have satisfied the competitive test and no payment shall be required under this section, if Ameritech Indiana demonstrates any one of the following: (i) that the result of the Competitive Line

Growth Test in Section V.B.2.c. is that Competitive Line Growth is equal to or greater than 100,000 residential access lines; (ii) that Ameritech or one of its affiliates has received authority under Section 271 of the Telecommunications Act of 1996 to offer in-region interLATA services in Indiana; or (iii) if Section 271 of the Telecommunications Act of 1996 is repealed, that the result of the Competitive Line Growth Test in Section V.B.2.c. is that Competitive Line Growth is equal to or greater than 60,000 residential access lines.

(2) If the Commission determines that Ameritech Indiana has failed to make the demonstration set forth in Section V.B.2.d.(1) as of 4 years following the Merger Closing Date, Ameritech Indiana will make a payment of \$11 million as follows:

(a) \$10 million as i) credits to Ameritech Indiana's end user customers within Ameritech Indiana's current service area; and ii) payments to CLECs providing end user service within Ameritech Indiana's current service area, as follows:

i) A CLEC's Access Lines, for each CLEC, shall be the total number of access lines in service, including, without limitation, residence access lines, business access lines and end user trunks, and ISDN lines, whether resold or not, measured as of the date 4 years following the Merger Closing Date within Ameritech Indiana's current service area.

Each CLEC that desires to receive any of the \$10 million in payments must provide to the Commission and Ameritech Indiana, no later than 4 years and 30 days following the Merger Closing Date, a report identifying the number of such lines and trunks for that CLEC. Such report shall separately identify: a) the number of resold Ameritech Indiana access lines; b) the number of unbundled loops purchased from Ameritech Indiana; and b) all other such lines and trunks in service within Ameritech Indiana's current service area. Each CLEC submitting such a report will certify to SBC/Ameritech and to the Commission the accuracy of such report.

ii) Total CLEC Access Lines shall be the sum of (i) above for all qualifying CLECs submitting a timely report.

- iii) Total Ameritech Access Lines shall be the total number of access lines in service, including without limitation residence access lines, business access lines and trunks, Centrex lines, and ISDN lines, provided by Ameritech Indiana within Ameritech Indiana's current service area, as of the date 4 years following the Merger Closing Date.
  - iv) A CLEC's Pro-Rata Share shall be the ratio of (i) above for that CLEC, divided by the sum of (ii) and (iii).
  - v) Each affected CLEC shall receive a payment equal to \$10 million multiplied by the CLEC's Pro-Rata Share.
  - vi) The total amount remaining from the \$10 million, after subtracting all payments to affected CLECs, shall be credited by Ameritech Indiana to its end user customers within its current service area. Such credits shall be calculated on a per access line basis.
  - vii) SBC/Ameritech reserve the right to hire an independent third-party auditor to perform all necessary audits needed to verify the reports submitted by CLECs pursuant to Section i) above. CLECs that opt to take advantage of these payments must agree to cooperate in the performance of such audits, which will be paid for by SBC/Ameritech. Audit information will be restricted to SBC/Ameritech regulatory, legal, and/or wholesale business unit personnel, and SBC/Ameritech will prohibit those personnel from disclosing audit-related information to Ameritech Indiana retail/marketing personnel.
- (b) \$1 million to the CEC. Should the CEC no longer be in existence at the time payment is due, the Commission may direct that this portion of the penalty be added to the amount credited to Ameritech Indiana's end user customers in vi) above.
- (3) Ameritech Indiana may file a report with the Commission at any time after 1 year following the Merger Closing Date, but shall file a report no later than 30 days following the close of the 4 year period following the Merger Closing Date, demonstrating that it has or has not satisfied the Competitive Test set forth above. Assuming Ameritech Indiana's report states that the test has been met, the test will be deemed met either: (a) upon the issuance of a

Commission order finding that the test has been met; or (b) if no order is issued, within 120 days after such filing. If payment is due under Section V.B.2.d.(2), such payment shall be made as provided therein when and as ordered by the Commission.

- e. Promotional Collocation Provisions. To the extent that these provisions conflict with applicable federal or state statutes; regulatory rules, guidelines, or Orders; or judicial opinions regarding collocation, Ameritech Indiana shall be subject to the most stringent of the requirements or guidelines in question.

- (1) Ameritech Indiana will make available to CLECs in Indiana meeting the criteria set forth below, and agreeing to the terms and conditions set forth below, the following promotional provisions with respect to collocation.
- (2) The promotional provisions for collocation are only available to a CLEC within a central office where: i) that CLEC certifies that it intends to use collocation space in that central office in accordance with the provisions of Section e.(3) below; and ii) that CLEC is, at the time it requests the collocation, not ineligible for the promotional provisions pursuant to Section e.(6) below.
- (3) After the collocation space for a CLEC has been installed in a central office for at least 8 months, such CLEC shall continue to be eligible for the promotional provisions contained in Section e.(10)(d) within that central office only if, within that central office, the number of unbundled loops purchased by that CLEC to serve business customers is no greater than 75% of the total number of unbundled loops purchased by that CLEC in that central office. (The number of unbundled loops shall be measured on an equivalent line basis.)
- (4) For each collocation arrangement for which a CLEC has received any of the promotional provisions set forth in Section e.(10), the CLEC shall, on a quarterly basis beginning the first full calendar quarter commencing at least 3 months after a CLEC begins to use these promotional collocation provisions, certify to Ameritech Indiana and the Commission Staff that the terms and conditions set forth in Section e.(3) related to the promotional collocation provisions are being met. In the event a CLEC is found, either by its certification or by the audit process described in Section e.(5) below, to be not in compliance with Section e.(3) for any central office after such CLEC has been collocated in that central office for at least 8 months, the full, standard rates and other standard terms and conditions applicable to the collocation space in such



central office would apply retroactively, and any amounts due must be paid within 10 days.

- (5) SBC/Ameritech reserve the right to hire an independent third-party auditor to perform all necessary audits and inspections needed to verify the CLEC certification provided for in Section e.(4) above. CLECs that opt to take advantage of the promotional collocation provisions must agree to cooperate in the performance of such audits and inspections, which will be paid for by SBC/Ameritech. If the independent third-party auditor finds that a CLEC's compliance verification described in Section e.(4) above is inaccurate with respect to one or more central offices, SBC/Ameritech and the CLEC will meet and confer to determine the reason for the inaccuracy. Audit information will be restricted to SBC/Ameritech regulatory, legal, and/or wholesale business unit personnel, and SBC/Ameritech will prohibit those personnel from disclosing audit-related information to Ameritech Indiana retail/marketing personnel.
- (6) If, in the audit process described above in Section e.(5), a CLEC's compliance verification is found to be inaccurate due to willful or grossly negligent conduct on the part of the CLEC, then that CLEC's entitlement to these promotional collocation provisions for any new collocation request shall be permanently revoked. Additionally, if at any time a CLEC is found, either by its certification or by the audit process described above, to be not in compliance with Section e.(3) in 50% or more of the central offices in which such CLEC has received any of the promotional collocation provisions set forth in Section e.(10), then that CLEC's entitlement to these promotional collocation provisions for any new collocation request shall be suspended, until such time that one or more such offices are brought into compliance with Section e.(3), such that the 50% standard is met.
- (7) The promotional provisions for collocation space shall begin on the Merger Closing Date and shall terminate 3 years following the Merger Closing Date. Notwithstanding the 3 year limitation, CLECs that received or ordered collocation arrangements from Ameritech Indiana based on these promotional collocation provisions shall continue to be served under the promotional collocation provisions until the CLECs and Ameritech Indiana mutually agree to modify or terminate those collocation arrangements.
- (8) For purposes of determining whether the CLEC is eligible for these promotional collocation provisions, the measurement of the CLEC

purchased loops within a central office shall include any affiliates of the CLEC providing local telecommunications service within the same central office.

- (9) The promotional collocation provisions are only available where space is available in those areas of Ameritech Indiana's central offices that are engineered for equipment of the type used in collocation space. In order to take advantage of the promotional collocation provisions, a CLEC must provide Ameritech Indiana with reasonable collocation space forecasts.

(10) Promotional Terms and Conditions for Collocation

- (a) Ameritech Indiana agrees to a 90-day standard installation interval for a qualifying CLEC collocation request measured from the date an initial collocation request is submitted to Ameritech Indiana. Such 90-day standard interval is subject to Ameritech Indiana receiving any pre-paid amounts due within 30 days after said initial request or 20 days after Ameritech Indiana notifies the CLEC that the request can be satisfied, whichever is later.
- (b) Ameritech Indiana will provide collocation space without the requirement for Ameritech Indiana to construct a caged enclosure. In such cases, the CLEC shall be responsible for deciding whether to construct an enclosure for the space, subject to Ameritech Indiana's specifications.
- (c) Ameritech Indiana will provide CLECs a minimum collocation space option of 50 square feet, with reduced total charges based on the equipment and square footage requested.
- (d) Ameritech Indiana will reduce the current amount of collocation charges which must be prepaid by the CLEC to \$7,000 for collocation space of between 50 and 75 square feet, inclusive, and to \$10,000 for collocation space greater than 75 square feet. The balance of any prepaid amounts that would otherwise be due, based on standard rates and charges for collocation space, shall be paid by the CLEC over 36 months with 8% interest.
- (e) Ameritech Indiana further agrees that, in the event the requested collocation space is not made available within 90 days of the submission of an initial request, due solely to Ameritech Indiana's actions or inaction, 50% of the prepaid

amount shall be refunded to the CLEC. In the event the requested collocation space is not made available within 120 days of the submission of an initial request due solely to Ameritech Indiana's action or inaction, the remaining 50% of the prepaid amount shall be refunded to the CLEC. No refund shall be due if Ameritech Indiana's failure to meet the time period for making the collocation space available was caused in whole or in part by any force or reason beyond the reasonable control of Ameritech Indiana, including, but not limited to, Acts of God, strikes, or war.

3. CLEC Confidential Information. Ameritech Indiana will comply with its obligations under Commission and FCC rules and regulations, applicable interconnection agreement provisions, requirements in the Telecommunications Act of 1996, dealing with non-disclosure of a CLEC's confidential and proprietary business and customer information acquired in the course of providing services to CLECs.
4. CSR Issues. Ameritech Indiana shall not attempt to hinder customers from switching carriers from Ameritech Indiana to a CLEC in question. Complaints or concerns regarding slamming and/or the unauthorized release of customer data or information shall be resolved consistent with applicable federal or state laws.
5. Non-Recurring Charges Payment Option. As an additional incentive for local residential telephone competition, Ameritech Indiana will offer a promotional 18-month installment payment option to CLECs for the payment of non-recurring charges associated with the purchase of unbundled network elements used in the provision of residential services and the resale of services used in the provision of residential services. This promotional 18-month installment option will begin on the Merger Closing Date and will terminate 3 years following the Merger Closing Date. No interest will be assessed on the remaining balance during the 18 month period as long as the CLEC continues to purchase the residential unbundled network element or residential resold service. In the event the CLEC does not purchase the residential unbundled network element or residential resold service for the entire 18 month payment period, any remaining non-recurring charge balance shall immediately be due and payable when the service is terminated. Unless an interconnection agreement by its terms specifies otherwise, interest at a rate of 8% per annum will be assessed on any amounts that become immediately due and payable and are not paid within 30 days of same. If a CLEC disputes its obligation to make payment when due, it will place the amount due in an escrow account earning a rate of at least 8% interest, pending a final resolution of the dispute.
6. Bona Fide Request Fees. As an additional incentive for local residential telephone competition, Ameritech Indiana agrees to waive the Bona Fide Request ("BFR") initial processing fee associated with a BFR submitted by a CLEC under the

following condition: the CLEC submitting the BFR must have, for the majority of the BFR requests it has submitted to Ameritech Indiana during the preceding 12 months, completed the BFR process, including the payment of any amounts due. The BFR initial processing fee will be waived for a CLEC's first BFR following the Merger Closing Date and for a CLEC that has not submitted a BFR during the preceding 12 months. The BFR fee waiver will be offered for a period of 3 years following the Merger Closing Date.

7. Enhanced Local Number Portability Deployment. Upon the Merger Closing Date, Ameritech Indiana will begin implementing in Indiana the "Transition Mechanism" 10-digit trigger capability relating to Local Number Portability ("LNP"), and to complete such implementation in no less than the Indianapolis MSA by April 1, 2000, and by July 1, 2000 in all other Ameritech Indiana central offices where Ameritech Indiana is required to provide LNP. If Ameritech Indiana deploys LNP in an office after April 1, 2000, pursuant to a BFR, LNP will be deployed with the "Transition Mechanism" 10-digit trigger capability. These implementation dates are contingent on SBC/Ameritech obtaining timely delivery of the Necessary "Transition Mechanism" 10-digit trigger capability from vendors.
8. Interim Local Number Portability Provisioning. Ameritech Indiana will make available to CLECs that choose to opt into the terms and conditions therein, the interim agreement set forth in the letter of November 25, 1998, from Warren Mickens, AIIS Vice President, Customer Operations, to Mark Titus, Time Warner Telecom, Regional Vice President, relating to the operations and processing of Time Warner orders for Local Number Portability, until such time as the "Transition Mechanism" 10-digit trigger capability is implemented in Ameritech Indiana's service area (see Attachment 5). Ameritech Indiana will make said interim agreement available to any CLEC that mutually agrees to the terms and conditions contained therein, provided that the CLEC's interconnection agreement does not contain provisions addressing the interim agreement issues. For any CLEC whose interconnection agreement does address the interim agreement issues, Ameritech Indiana will entertain requests for amending such interconnection agreement. Any such amendments shall be subject to Commission approval.
9. Pole Attachment and Conduit Records. Ameritech Indiana commits that Ameritech Indiana will reduce the average time elapsed between the date a request is made to review pole attachment and conduit records and the date such records become accessible for review by 10% within 6 months after the Merger Closing Date.
10. Interconnection Agreement.
  - a. SBC, Ameritech, and Ameritech Indiana generally commit, for a period not to exceed three years after the Merger Closing Date, to provide such

services, facilities or interconnection agreements/arrangements to CLECs in Indiana, as they do to CLECs in other SBC states where SBC is the ILEC, subject to the following reasonable exceptions and conditions:

- (1) No requirement to offer UNEs, services, facilities or interconnection agreements/arrangements in Indiana which are imposed upon SBC by another state as a result of an arbitration (as opposed to a voluntary agreement);
- (2) SBC, Ameritech, and Ameritech Indiana would not be required to offer UNEs, services, facilities or interconnection agreements/arrangements if there are technical reasons or state legal reasons in Indiana which would make such offerings infeasible or unlawful/contrary to state policy;
- (3) No requirement to offer UNEs, services, facilities or interconnection agreements/arrangements in Indiana at the same rates or prices as SBC makes such offerings in other SBC service territories since costs may and do vary by state, since pricing in each state reflects state pricing policies and costs;
- (4) With this offer, SBC, Ameritech, and Ameritech Indiana are not waiving any right to seek modifications to interconnection agreements which incorporate services, facilities, or interconnection arrangements if changes in applicable law or state or federal requirements change the requirements for such UNEs, services, facilities, or interconnection agreements/arrangements.

Note that Section 252(i) of the Telecommunications Act of 1996 does not contemplate automatic adoption of one state's approval of an interconnection agreement in other states. This is especially so where Ameritech Indiana is not a "party" to interconnection agreements in other SBC states. In addition, the Commission should not want to abdicate its responsibility to review Indiana interconnection agreements from an Indiana perspective by automatically adopting the policies of other states.

Nonetheless, SBC, Ameritech, and Ameritech Indiana are willing to make the commitment described above. A specific timetable for this condition cannot be established at this time as the services, facilities and interconnection agreements are dependent upon requests by CLECs and the fact that SBC and Ameritech have not yet engaged in joint post merger planning and review in this area.

- b. SBC, Ameritech, and Ameritech Indiana would further commit that within 90 days of the Merger Closing Date that they would participate in a workshop or collaborative process with Commission Staff and CLECs to

compare UNEs, services, facilities or interconnection agreements which SBC has made available to CLECs in other states and which are not currently available and desired by CLECs in Indiana.

- c. SBC, Ameritech, and Ameritech Indiana will provide copies of interconnection agreements from other states to the Commission upon request, which would allow the Commission to monitor such developments.

Finally, while the question involves only SBC offering UNEs, services, facilities or interconnection agreements/arrangements to CLECs, SBC, Ameritech, and Ameritech Indiana understand that if they seek and obtain UNEs, services, facilities or interconnection agreements in the capacity of a CLEC (other than by a "most favored nations" request), they would have the burden in Indiana of proving why a form of interconnection arrangement or "capability" should not be implemented in Indiana.

- d. Specifically, if a CLEC affiliate of SBC/Ameritech obtains a UNE or interconnection arrangement from an incumbent LEC through arbitration initiated by the SBC/Ameritech CLEC under 47 U.S.C. § 252, then SBC/Ameritech's incumbent LECs shall make available to requesting, similarly situated CLECs in their service areas, though good-faith negotiation, the same UNE or interconnection arrangement on the same terms (exclusive of price). SBC/Ameritech shall be obligated to provide such UNE or interconnection arrangement(s) where it is technically feasible to do so on or in the network of SBC/Ameritech's incumbent LEC and subject to the unbundling limitations of 47 U.S.C. § 251(d)(2). The determination of whether a UNE or interconnection arrangement is technically feasible, or whether the requesting CLEC is similarly situated, shall include appropriate consideration of regulatory, network, and market circumstances surrounding the request of SBC/Ameritech's CLEC and the request made of SBC/Ameritech's incumbent LEC, including but not limited to network architecture, OSS, and universal service reform. The price(s) for such UNEs or interconnection arrangements shall be negotiated on a State-specific basis and, if such negotiations do not result in agreement, SBC/Ameritech's incumbent LEC shall submit the pricing dispute(s), exclusive of the related terms and conditions required to be provided under this Section, to the applicable state commission for resolution under 47 U.S.C. § 252.

### C. ALTERNATIVE DISPUTE RESOLUTION

- 1. Ameritech Indiana and Commission Staff will implement the following alternative dispute resolution ("ADR") process designed to resolve carrier-to-

carrier disputes, including interconnection agreement related disputes, before they become formal complaints, and will adhere to the following ADR guidelines and procedures:

- a. Ameritech Indiana agrees that any dispute resolution process contained in any of Ameritech Indiana's existing interconnection agreements continues to apply and will be implemented by Ameritech Indiana in accordance with the agreement. Ameritech Indiana agrees that the applicable time frame for the dispute resolution process begins on the date when either party to a dispute notifies the other party and the Commission Staff in writing that it is seeking dispute resolution pursuant to an interconnection agreement. Ameritech Indiana will designate a single point of contact to whom such notice will be sent. Following completion or failure of a dispute resolution process pursuant to an interconnection agreement, should either party to the dispute bring the dispute to the Commission staff, Ameritech Indiana will not argue that the involved dispute is not properly before the Commission or that the other party must follow additional procedures prior to the Commission staff informally resolving the dispute. In other words, after the applicable period runs, a party may proceed with an informal resolution process (as outlined below) or commence a formal complaint before the Commission.
- b. If resolution is not attained upon completion of the dispute resolution process contained in an interconnection agreement or, for those disputes not subject to an interconnection agreement, Ameritech Indiana commits to the following:
  - (1) Notwithstanding any provision of the Indiana Administrative Code, Ameritech Indiana commits to the participation of Commission Staff in any informal dispute resolution process, should a party to the dispute so desire. If a party chooses to involve the Commission Staff in an informal dispute resolution process, it shall submit a written request for informal resolution to the Commission's Director of the Telecommunications Division, with a copy to the other parties involved in the dispute.
  - (2) The written request shall include whether the dispute is service affecting or demonstrate that the dispute has exceptional time-sensitive implications. If the dispute is service affecting or has exceptional time-sensitive implications, the written request shall set forth time requirements for resolution, and the time frames set forth in this Section shall be shortened by agreement of parties to accommodate the requested time requirements, which may not be less than 3 business days.

- (3) Ameritech Indiana will attempt to resolve multi-CLEC issues through consolidated informal resolution proceedings.
- (4) Ameritech Indiana will have a person(s) of authority at the dispute resolution table such that a reasonable resolution could be agreed to at the table. In the event such representative of Ameritech Indiana is without the authority to agree to a particular item, Ameritech Indiana commits to a response turnaround of no more than 2 business days.
- (5) Any information to be shared with the other party or parties prior to the beginning of an informal resolution session, must be faxed to the assigned Commission Staff and the other party or parties at least 24 hours prior to the next informal resolution session.
- (6) Ameritech Indiana will have one contact person for all contact related to a given dispute. Ameritech Indiana will attend a face-to-face meeting with the disputing party or parties and Commission Staff within one week of the request for informal resolution.
- (7) Ameritech Indiana commits that, in the event it is not possible to resolve the issue with one session, it will agree to a meeting schedule and have all relevant decision makers meet at the Commission with the other party or parties during the scheduled times.
- (8) Ameritech Indiana agrees that service to end user customers shall not be disrupted or otherwise affected by the pendency of an informal resolution process.
- (9) Ameritech Indiana will prohibit its regulatory, legal, and/or AIIS personnel from disclosing to the retail/marketing staff information regarding customers identified during the informal resolution process concerning the dispute being resolved. If necessary, Ameritech Indiana regulatory, legal, and/or AIIS personnel may contact the customer regarding service or billing-related issues after they have first notified the opposing party or parties in the informal resolution proceeding to discuss the need for such contact and to give such party or parties the opportunity to participate in such contact.
- (10) Ameritech Indiana will reduce each resolved issue to writing within 5 business days of the resolution. One of the other parties may also agree to reduce the agreement to writing. All subsequent responses/replies will be due within 3 business days. If the parties



have not reduced the resolved issue to writing within 14 calendar days, they shall notify the Commission Staff within 5 business days, and any party may request to resume the informal dispute resolution process. Ameritech Indiana further commits that once agreed, these issues will be binding upon the parties; a copy of each agreement shall be submitted to Staff upon execution. If an agreement reached requires an amendment or addendum to a previously-approved interconnection agreement, Ameritech Indiana commits to file the amendment or addendum for Commission approval within 14 calendar days of reaching the agreement.

- (11) Ameritech Indiana will facilitate the execution of a reasonable informal dispute resolution agreement (provided that the other party also agrees to do so as a condition to participating in the informal resolution process). Communications during the informal dispute resolution process are confidential.
- c. Once issues are resolved by the parties, should there be another CLEC requesting resolution of the same issue(s), with substantially similar factual circumstances and terms, conditions and other contract provisions that are not materially different, the arrangements arrived at through a prior informal resolution process will be made available to that "new" party.
- d. This process is not intended and shall not be used as a substitute for resolving disputes regarding the negotiation of interconnection agreements under Sections 251 and 252 of the Telecommunications Act of 1996.
- e. At any time after a request is made for informal resolution, the Director of the Commission's Telecommunications Division may elect to discontinue the informal resolution process. The Director may recommend that the Commission order the parties to submit their dispute to civil mediation or arbitration in accordance with Rules 2 or 3 of the Indiana Rules for Alternative Dispute Resolution. In the event the Commission orders the parties to submit to civil mediation or arbitration, the Commission shall designate three registered mediators or arbitrators who are willing to mediate or arbitrate the dispute. Each side shall alternatively strike the name of one mediator. The side requesting informal dispute resolution will strike first. The mediator or arbitrator remaining after the striking process will be deemed the selected mediator or arbitrator. In the event a mediator or arbitrator chooses not to serve or the Commission decides to replace the mediator or arbitrator, the selection process will be repeated. Unless otherwise stated by the Commission, Rules 2.6, 2.7, 2.8, 2.9, 2.10, 2.11, 3.4, and 3.5 of the Indiana Alternative Dispute Resolution Rules

shall apply to any civil mediation or arbitration ordered by the Commission.

## **VI. BOOKS AND RECORDS**

SBC/Ameritech will provide Commission Staff access to books and records of any affiliate that engages in transactions with any SBC/Ameritech affiliate that operates in Indiana as a public utility. Where SBC/Ameritech are not able to provide access to relevant books and records in Indiana, they agree to pay reasonable and necessary travel expenses of the Commission in order to examine such relevant books and records in an out-of-state location.

## **VII. AFFILIATES**

- A. Within 22 days of the Commission's entry of a final appealable order approving the Merger, Respondents agree to request revocation of the CTAs, effective upon the Merger Closing Date, of SBC's Indiana interexchange affiliate, Southwestern Bell Communications Services - Indiana, Inc., as well as both affiliates which are certificated to provide resale of interexchange services, Southwestern Bell Communications Services, Inc. and Southwestern Bell Communications Services - Illinois, Inc.
- B. Respondents commit that at least 90 days prior to applying to the FCC for authority under Section 271 of the Telecommunications Act of 1996 to offer in-region interLATA service in Indiana, Ameritech Indiana will file in Cause No. 40641, information concerning its compliance with the Section 271 Checklist.
- C. National Local Subsidiary. Although SBC and Ameritech have no present plans to operate the National Local Subsidiary in any of their in-region states, they commit not to seek local exchange certification for their National Local Subsidiary in Indiana prior to January 1, 2001.

## **VIII. MERGER COST SAVINGS**

As an alternative to the Promotional Carrier-to-Carrier Discounts, contained in Section V above, Ameritech Indiana would offer the following treatment of Merger cost savings.

- A. A \$4.0 million one-time credit to be paid (as directed by the Commission) within 30 days of the Merger Closing Date;

or

- B. The Commission can conduct an investigation at such future time when “actual” Merger-related cost savings are known, in order to determine the amount of these savings, and whether or not it is appropriate to pass through any of the savings to customers.

## **IX. REPORTING REQUIREMENTS**

- A. Service Quality. Ameritech Indiana will provide quarterly service quality reports as described in detail in Section IV of this Voluntary Commitment.
- B. OSS Performance Measurements. Ameritech Indiana will provide a report to the Commission Staff on the results of its OSS performance measurements on a quarterly basis, beginning the first full calendar quarter in which Ameritech Indiana has at least one full month of data for one or more performance measurements, and will report with respect to transactions affecting Indiana CLECs relative to their provision of service to end users in Indiana. If it is not economically or technically feasible, as discussed in the collaborative process, for Ameritech Indiana to report transactions on that basis, reporting will be done either on an Ameritech-wide or SBC-wide basis as reasonably determined by Ameritech Indiana after consulting with Commission Staff. Performance measurement reports will be provided to CLECs in conformance with each CLEC’s interconnection agreement and will be made available electronically if so requested.

Ameritech Indiana will provide a report to the Commission Staff within 45 days following the end of each measurement period describing its performance for that measurement period as to each of the performance measures on a statewide basis. Ameritech Indiana will also file a report with the Commission within 50 days following the end of each measurement period stating whether or not payment is due under Section V.A.4.f. If payment is due under Section V.A.4.f., Ameritech Indiana’s filing will include proposed credits to be applied as provided in Section V.A.4.f., which credits will be made as proposed upon the Commission’s approval of such filing. If the Commission has not ordered otherwise within 60 days of such filing, the filing shall be deemed approved.

- C. Promotional Rates. CLECs shall, on a quarterly basis, certify to Ameritech Indiana and the Commission that they are using the unbundled loops and/or resale services provided at these promotional discounted rates solely for the provision of residential services.
- D. Competitive Line Growth. Ameritech Indiana will report that it has attained Competitive Line Growth of 60,000 or 100,000 residential access lines, as applicable, and passed the Competitive Line Growth Test by filing a report with the Commission demonstrating such passage. Such report will be filed any time during the period commencing with the Merger Closing Date, but no later than 45 days following the 4 year anniversary of the Merger Closing Date. The test will be deemed met either: i)

upon the issuance of a Commission order finding that the test has been met; or ii) if no order is issued within 60 days after such filing. If payment is due under Section V.B.2.d., Ameritech Indiana's filing will include proposed credits to be applied as provided in Section V.B.2.d., which credits will be made as proposed upon the Commission's approval of such filing. If the Commission has not ordered otherwise within 60 days of such filing, the filing shall be deemed approved.

- E. Annual Network Infrastructure Report. Ameritech Indiana will provide to the Commission staff an annual report detailing the capital investments made in fulfilling its infrastructure commitment. Such reports shall be provided on a calendar year basis and shall be provided on April 30 of each year following the calendar year of the Merger Closing, ending with the calendar year 2002.
- F. Retail Residential Services Annual Report. To the extent a particular retail residential service is not made available throughout Ameritech Indiana's service area, Ameritech Indiana will provide to the Commission Staff, on an annual basis, a report identifying the geographic areas where such retail residential services are available. The report will provide such information by wire center, and maps will be created to depict the availability of such services. Ameritech Indiana will provide such annual reports beginning on April 30 of the first calendar year following the Merger Closing Date and for the next two calendar years.
- G. Structure Access Intervals. Within 6 months following the Merger Closing Date, Ameritech Indiana will review whether it can reduce the average time it takes to issue a pole attachment permit, to install a third party's cable in Ameritech Indiana's conduit, or to provide access to its ducts and rights-of-way. Ameritech Indiana will report to the Commission within 30 days after the conclusion of its review whether it can reduce the average time to perform said acts.
- H. Market Power Reports
  - 1. Ameritech Indiana will measure competition and market power for Ameritech Indiana and all competitors in Indiana telecommunication markets.
    - a. Ameritech Indiana will provide the Commission Staff with an initial assessment of competition and market power for Ameritech Indiana no later than 90 days following the Merger Closing Date. This initial assessment will be based on data for the most recent readily available period that ends no later than the day before for the Merger Closing Date.
    - b. Ameritech Indiana will provide additional assessments no later than 90 days after the end of a calendar year beginning with the first calendar year following the date of the initial assessment and continuing for a period of 3 years.
  - 2. A description of the approach to be used is as follows:

- a. The goal of a competitive market power assessment of Ameritech Indiana is to capture the market power of Ameritech Indiana in relation to other competitors in Ameritech Indiana's current service territory. In so doing, the market power assessment should sufficiently ascertain:
  - (1) Ameritech Indiana's relative position in the relevant markets (*e.g.*, local exchange, intraLATA toll, interexchange, wireless);
  - (2) The competitive alternatives and substitutes a customer may have;  
and
  - (3) The rate at which competitive alternatives are developing/growing.
- b. Ameritech Indiana will work with the Commission Staff and provide the appropriate models, updated on a periodic basis, which would measure and/or determine for the relevant markets:
  - (1) Availability of CLEC services as alternatives (resale and UNE/facilities-based):
    - (a) the location of CLEC networks (such as equipment, switches, fiber, facilities);
    - (b) the number of business and residential customers and access lines (or access line equivalents) that are and can be served by their networks;
    - (c) the revenues their customers generate;
    - (d) the CLECs' growth rate;
  - (2) Availability of wireless alternatives:
    - (a) the location of the wireless networks (such as equipment, switches, towers);
    - (b) the number of business and residential customers and equivalent lines that are and can be served by their networks;
    - (c) the revenues their customers generate;
    - (d) the wireless growth rate;
    - (e) extent to which these services are competitive alternatives to landline local service;
  - (3) Availability of cable access and other non-SBC/Ameritech alternatives:

- (a) the location of the cable access and other non-SBC/Ameritech alternatives available that are or can be upgraded to support telephony (equipment, switches, facilities);
- (b) the number of business and residential customers and equivalent lines that are and can be served by their networks;
- (c) the telecommunications revenues their customers generate;
- (d) the growth rate;
- (e) extent to which these services are competitive alternatives to landline services;

(4) Availability of Ameritech Indiana's services:

- (a) the number of business and residential customers and access lines (or access line equivalents) that are served by the Ameritech Indiana network;
- (b) the revenues the customers generate;
- (c) the Ameritech Indiana growth rate.

- c. SBC/Ameritech commit to provide all the appropriate SBC/Ameritech data (retail, resale, and UNE) to support such an assessment. In addition, Ameritech Indiana will systematically collect relevant information via residence and business customer surveys, which would be prepared with the Commission Staff's input, to augment the assessment. Further, Ameritech Indiana will develop and provide to the Commission Staff all the models (*e.g.*, calculations, estimations, indices development) to achieve the goals of the marketplace competitive assessment as described above. The Staff may attempt to obtain on an annual basis the information identified above for all competitors operating in the current Ameritech Indiana territory. In all events, Ameritech Indiana remains obligated to develop all required data. All such information will be extremely confidential and company-specific information shall be disclosed only to the Commission and the Commission Staff.

- I. In State Presence. For a period of 2 years following the Merger Closing Date, Ameritech Indiana shall maintain records of the number of its employees. Ameritech Indiana will provide and report the number of such employees to the Commission Staff as of the dates 6 months, 12 months, and 24 months following the Merger Closing Date.

In addition to those reports referenced above, Ameritech Indiana shall submit a report to the Commission each year for the 3 years following the Merger Closing Date describing and documenting the status and progress made in meeting the commitments made herein.

#### **X. ENFORCEMENT/COMPLIANCE**

SBC, Ameritech, and Ameritech Indiana will appoint a corporate officer to oversee implementation of, and compliance with, these commitments; to monitor their progress toward meeting the deadlines specified herein; to provide periodic reports regarding their compliance as required; and to ensure that any payments due under these commitments are timely made. The audit committee of SBC/Ameritech's Board of Directors will oversee the corporate compliance officer's fulfillment of these responsibilities.

No later than 6 months after the Merger Closing Date, and annually thereafter until the expiration of each of these commitments, SBC, Ameritech, and Ameritech Indiana will file with the Commission, for the public record, a report detailing their compliance with these commitments. SBC, Ameritech, and Ameritech Indiana will make a copy of their most current compliance report publicly available on their Internet site.

SBC, Ameritech, and Ameritech Indiana will, at their own expense, annually engage independent auditors to verify SBC/Ameritech's compliance with these commitments. The first compliance review will be due 1 year after the Merger Closing Date and compliance reviews covering a period of 3 years after the Merger Closing Date will be submitted. The independent auditor will have access to all of SBC, Ameritech, and Ameritech Indiana's records, accounts, memoranda, and documentation necessary to evaluate their compliance with these commitments. The independent auditor also may verify SBC, Ameritech, and Ameritech Indiana's compliance through contacts with the Commission, the FCC, or their wholesale customers, as appropriate. The Commission will have access to the working papers and supporting materials of the independent auditor. The independent auditor's review will be filed with the Commission for the public record. The review will address the accuracy of the compliance report submitted by SBC, Ameritech, and Ameritech Indiana during the period covered by the review and their compliance with each of the commitments during the period covered by the review, to the extent that compliance is not addressed by their compliance report. As filed with the Commission, the review will include: (i) findings and exceptions of the independent auditor; (ii) the response of SBC, Ameritech, and Ameritech Indiana to any exceptions of the independent auditor; and (iii) the reply of the independent auditor to the Company's response.

SBC, Ameritech, and Ameritech Indiana will agree that if the Commission makes a determination, after due process, that they have during the effective period of a commitment materially failed to comply with that commitment, the Commission may, at its discretion, extend the effective period of that commitment for a period that does not

exceed the period during which SBC, Ameritech, and Ameritech Indiana materially failed to comply with the commitment.

SBC, Ameritech, and Ameritech Indiana will make payments due under these commitments within 10 business days of a determination by SBC, Ameritech, and Ameritech Indiana's compliance officer, the Commission, or an arbitrator, that payment is due.

The specific enforcement mechanisms that would be established under these commitments will not abrogate, supersede, limit, or otherwise replace the Commission's enforcement powers under state law. Nor will the payments for non-performance specifically required by these commitments, to which SBC, Ameritech, and Ameritech Indiana would voluntarily agree, be subject to statutory limitations on the size or type of awards that may be assessed by the Commission.

## **XI. MISCELLANEOUS ITEMS**

- A. There may be Y2K-related problems that could arise which would render implementation timeframes and commitments set forth herein infeasible. In the event such problems arise, Ameritech Indiana agrees to provide timely notice to the Commission, along with a proposed revised implementation schedule. Should the Commission not be in agreement with such schedule, Ameritech Indiana agrees to meet with the Commission Staff to resolve any such disagreement.
- B. Ameritech Indiana will work with the Commission Staff to identify any appropriate portions of this Voluntary Commitment which require an Ameritech Indiana filing at the Commission (including, but not limited to, tariffs) to implement this Voluntary Commitment.
- C. Ameritech Indiana will advise the Commission Staff of any changes to its 911 or E-911 service, including staffing, on a timely basis prior to implementing those changes.
- D. Ameritech Indiana will continue in its role as an ETC and not request a withdrawal from ETC status until at least July 1, 2002. Ameritech Indiana agrees to notify the Commission, the Office of the Utility Consumer Counselor, and interested consumer groups (e.g, CAC, AARP, USA, etc.) at least 9 months prior to the desired effective date of the withdrawal. Ameritech Indiana may only make such a request, and the Commission may only approve such a request, consistent with the provisions of 47 U.S.C. 214(e)(4) and/or other applicable laws. No such requests will be honored unless all residential customers in the affected service area (e.g., statewide, exchange, wire center) are served by at least one other ETC. As long as Ameritech Indiana retains its ETC status, it will be subject to the ETC rules and requirements contained in the Commission's Orders and Docket Entries in Cause Nos. 41052, 41052-ETC-39, and 40785.



- E. The commitments made herein are made by SBC and Ameritech as the parent holding companies which own Ameritech Indiana, a public utility under Indiana law, and nothing agreed to herein shall make SBC or Ameritech a public utility under Indiana law.
- F. SBC, Ameritech, and Ameritech Indiana's ability to make these commitments is based on the premise that no other conditions will be imposed that would have the effect of reducing the resources necessary for SBC, Ameritech, and Ameritech Indiana to meet these commitments. For example, if the Commission were to condition the Merger on a substantial increase in the flow-through of Merger savings, the additional commitments listed here would no longer apply because the Commission would be taking away the resources that would otherwise be available to meet those commitments.

Unless otherwise stated, commitments made by SBC, Ameritech, and Ameritech Indiana, in this submission, are for a period not to exceed three years after closing.

- G. SBC, Ameritech, and Ameritech Indiana are not waiving their rights with respect to any changes in federal or state law that may affect the commitments stated herein.